



STATE OF MICHIGAN  
TERRI LYNN LAND, SECRETARY OF STATE  
DEPARTMENT OF STATE  
LANSING

**MEMORANDUM**

**DATE:** October 6, 2006  
**TO:** Candidate Committees  
**FROM:** Michigan Department of State, Bureau of Elections  
**SUBJECT:** **CAMPAIGN STATEMENT FILING DEADLINES FOR  
NOVEMBER 7, 2006 GENERAL ELECTION**

**Campaign Statement and Late Contribution Report filing deadlines for the November 7, 2006 general election are discussed below.**

**Carefully read this memo to determine if the described filings are required of your committee. A committee that has a Reporting Waiver is not required to file Campaign Statements. The Reporting Waiver is discussed at the end of this memo.**

**As this memo discusses both the Pre-General and Post-General Campaign Statement filing requirements, please retain it for reference through December 7, 2006--the Post-General Campaign Statement due date.**

**All committees required to file with the Secretary of State that spend or receive \$20,000.00 or more in a calendar year or expect to spend or receive \$20,000.00 or more in a calendar year are required to file electronically. Committees are automatically registered for the MERTS Plus software when a Statement of Organization is filed. Training (on-site or on-line) can be arranged by accessing the MERTS Plus web page at [www.mertsplus.com](http://www.mertsplus.com).**

**Candidate Committees that are required to file Campaign Statements electronically must also file Late Contribution Reports electronically. Please see page 3 of this memo for information on the Department's Immediate Disclosure Reporting (e-IDR) program.**

### **Pre and Post-General Campaign Statement Due Dates**

- **THE PRE-GENERAL CAMPAIGN STATEMENT**, due October 27, covers the committee's financial activity through October 22, 2006.

A Candidate Committee must file the Pre-General Campaign Statement if the candidate's name will appear on the November 7 general election ballot or if the candidate receives or spends funds in connection with a write-in campaign.

- **THE POST-GENERAL CAMPAIGN STATEMENT**, due December 7, covers the Candidate Committee's financial activity from October 23 through November 27, 2006.

A Candidate Committee must file the Post-General Campaign Statement if the candidate's name appeared on the November 7 general election ballot or if the candidate received or spent funds in connection with a write-in campaign.

**NOTE:** A write-in candidate who is elected at the general election who did not receive or spend any funds in connection with the campaign should contact his or her county clerk or the Bureau of Elections in Lansing for filing instructions.

### **Campaign Statement Coverage Dates**

A Campaign Statement's opening date is the day after the closing date of the last Campaign Statement filed by the committee. If the committee has never filed Campaign Statements, the opening date of the first Campaign Statement filed is the earlier of the following two dates: 1) the committee's formation date or 2) the date the committee accepted its first contribution or made its first expenditure.

### **Late Contribution Reports**

A Candidate Committee that participates in the November 7 general election is required to file a "Late Contribution Report" if the committee receives a contribution of \$200.00 or more from a single contributor from October 23 through November 4, 2006.

- A late contribution is any single contribution of \$200.00 or more received by the committee between the 15<sup>th</sup> and the 3<sup>rd</sup> day before the date of the election. The term "election" is used to mean a primary, general, special, recall, or millage election held in Michigan or a convention or caucus held by a political party in Michigan to nominate candidates.
- This office must receive a Late Contribution Report within 48 hours after the committee's receipt of the contribution. A contribution is *received by a committee* on the date that the funds, written instrument or in-kind contribution of goods from the contributor have come into the *physical possession of the committee treasurer, designated record keeper*

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*or other person acting as an agent of the committee.* The receipt date is not the date the check or other written instrument was written or the date the contribution was deposited into the committee's bank account.

- For purposes of reporting a late contribution which involves an in-kind contribution of services, the in-kind contribution is considered to be received by the committee *on the date the committee treasurer, designated record keeper or other person acting as an agent of the committee receives verbal or written notice from the contributor that the contribution has, in fact, been made.*
- In addition to this report, a late contribution must be disclosed on the next Campaign Statement filed by the committee. **A Reporting Waiver does not exempt a committee from filing Late Contribution Reports; however, it is not necessary for a committee with a Reporting Waiver to show late contributions on a Campaign Statement.**
- A Late Contribution Report must contain the date and amount of the contribution along with the contributor's name, street address, occupation, employer and principal place of business. The report need not contain a signature and may be made in a telegram or by any other means of written communication, including fax or e-mail. The fax number for the Bureau of Elections is (517) 241-4785. A Late Contribution Report form is available on our web page at [www.michigan.gov/sos](http://www.michigan.gov/sos).
- A committee that is required to file electronically must also file any required Late Contribution Reports electronically. See below for complete information.
- A committee, treasurer or designated record keeper who fails to report a late contribution is responsible for the payment of a late filing fee. The maximum late filing fee that can be assessed for failing to file a required Late Contribution Report is \$2,000.00. The late filing fee will be assessed as follows:
  - (a) \$25.00 for each business day the report remains unfiled.
  - (b) An additional \$25.00 for each business day after the first 3 business days the report remains unfiled.
  - (c) An additional \$50.00 for each business day after the first 10 business days the report remains unfiled.

### **Late Contribution Reports – Electronic Filing**

In June, the Michigan Department of State's Bureau of Elections announced the Immediate Disclosure Reporting or "e-IDR" program that allows committees registered with the Department of State to file Late Contribution Reports electronically. A memo dated June 30, 2006, was sent to all active committees registered with the Bureau of Elections announcing the program.

All committees are encouraged to use the e-IDR program voluntarily. However, committees that are required to file electronically because they have exceeded the \$20,000.00 threshold must also file Late Contribution Reports using e-IDR. Paper, email or fax copies no longer meet the filing requirements of the Michigan Campaign Finance Act; late filing fees may be assessed against reports that are required to be filed electronically and are not filed using e-IDR.

To file using e-IDR, go to [www.Michigan.gov/sos](http://www.Michigan.gov/sos) and click the following: “Elections in Michigan,” “Campaign Finance Disclosure,” “Electronic Filing and MERTS” and then “Immediate Disclosure Reports (e-IDR).” Please bookmark this page for easy access the next time you need to file.

### **Campaign Statement Forms**

Candidate Committee Campaign Statement forms are available on our web page at [www.michigan.gov/sos](http://www.michigan.gov/sos).

### **Timely, Accurate Campaign Statements Required!**

If a Candidate Committee fails to file a Pre- or Post-General Campaign Statement, a late filing fee is assessed as follows:

- If the committee has raised **\$10,000.00 or less** during the previous 2 years, a \$25.00 late filing fee will be assessed each business day the statement remains unfiled, (maximum fee: \$500.00).
- If the committee has raised **more than \$10,000.00** during the previous 2 years, the maximum fee that can be assessed is increased to \$1,000.00. The late filing fee will be assessed as follows:
  - (a) \$25.00 for each business day the statement remains unfiled.
  - (b) An additional \$25.00 for each business day after the first 3 business days the statement remains unfiled.
  - (c) An additional \$50.00 for each business day after the first 10 business days the statement remains unfiled.
- Campaign Statements that are hand-delivered, sent by first class mail, or submitted electronically via the Internet must reach this office before 5:00 p.m. on the due date. Be sure to allow ample mailing time if sending first class.

- A Pre-General Campaign Statement submitted on paper or diskette that is sent by registered mail, certified mail or an overnight delivery service and postmarked on or before October 25, 2006 (two or more calendar days prior to the due date) will be accepted as a timely filing regardless of when it arrives.
- A Post-General Campaign Statement submitted on paper or diskette that is sent by registered mail, certified mail or an overnight delivery service and postmarked on or before December 7, 2006 (the due date) will be accepted as a timely filing regardless of when it arrives.
- Be sure to fill out all forms as accurately as possible. Notices will be sent to the committee if forms are left off, figures are wrong, addresses are incorrect, etc. The committee is then required to file an amendment to correct the error.
- A Campaign Statement will not be accepted if it is illegible, does not bear the proper signature(s), is not the proper size, does not contain the Schedule(s) required to substantiate information listed on the Summary Page, or is presented in a computerized format that has not been pre-approved by the Bureau of Elections.
- Committees filing on paper must provide two (2) copies of each required Campaign Statement (one original and one photocopy).

### **Reporting Waiver Provisions**

- A Candidate Committee is exempt from the Campaign Statement filing requirements if it currently has a Reporting Waiver or qualifies for and obtains a Reporting Waiver on or before the due date of a required Campaign Statement. A Candidate Committee that does not expect to receive or spend more than \$1,000.00 for any election is eligible for a Reporting Waiver.
- A Reporting Waiver cannot be obtained between the Pre-General Campaign Statement and the Post-General Campaign Statement. A Candidate Committee that is required to file a Pre-General Campaign Statement must also file a Post-General Campaign Statement.
- To become eligible for a Reporting Waiver, the Candidate Committee must check item 10 on its Statement of Organization. This tells the filing official that the committee does not expect to receive or spend more than \$1,000.00 for any election. The committee can check item 10 on its original Statement of Organization or on an amendment to its Statement of Organization.

- A Candidate Committee that does not check item 10 on its Statement of Organization is not eligible for a Reporting Waiver. This means that the committee must file Campaign Statements regardless of the amount received or spent during the reporting period.
- A Candidate Committee loses its Reporting Waiver if it receives or spends more than \$1,000.00 for an election. Funds held by the committee after the date of an election count toward the "amount received" for the next election. If the Reporting Waiver is lost, the committee must file the next required Campaign Statement.

### **Statement of Organization Amendments Due With Campaign Statements**

A committee registered under Michigan's Campaign Finance Act is required to amend its Statement of Organization if any information presented on the form changes. Required amendments to the form must be filed no later than the due date of the next required Campaign Statement.

A Statement of Organization form is available on our web page at [www.michigan.gov/sos](http://www.michigan.gov/sos).

### **Dissolution Information**

To be eligible for dissolution, a Candidate Committee must have no remaining assets or outstanding debts. An unpaid late filing fee is considered to be a committee debt. Committees of unsuccessful candidates are encouraged to dissolve on the Post-General Campaign Statement if possible to avoid further filing requirements and potential late filing fees. An officeholder cannot dissolve his or her Candidate Committee until his or her term of office expires. Exceptions to this provision exist for officeholders who are not eligible to seek reelection. For further information on the exceptions, contact the Department of State's Bureau of Elections.

Funds leftover in a Candidate Committee account must be disbursed in the following ways:

- given to a Political Party Committee (state central, congressional district or county);
- given to a tax exempt charitable organization (as long as the candidate does not become an officer or director of the organization or receive compensation, either directly or indirectly, from the organization);\*
- returned to the contributors of the funds;

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\*When a dissolving committee contributes all or part of their remaining funds to a tax-exempt charitable organization, the committee must submit confirmation (letter, receipt, etc.) from the charitable organization acknowledging that the contribution was received.

- given to a House Political Party Caucus Committee (if the Candidate Committee was established by a candidate for the State House);
- given to a Senate Political Party Caucus Committee (if the Candidate Committee was established by a candidate for the State Senate);
- given to an Independent Committee;
- given to a Ballot Question Committee; or
- transferred to another Candidate Committee simultaneously held by the same person if the contribution limits that apply to the Candidate Committee receiving the funds are the same or greater than the contribution limits that apply to the Candidate Committee transferring the funds. (Further information on such fund transfers can be obtained by contacting the Department of State's Bureau of Elections.)

Judicial candidates are advised to contact the Michigan State Bar Association at (517) 346-6300 for additional information on dispersing leftover committee funds.

If the committee has a Reporting Waiver, it is dissolved by filing a single-page Dissolution Campaign Statement form. If the committee does not have a Reporting Waiver, it is dissolved by filing a final Campaign Statement with supporting Schedules.

### **Candidate Committees Using MERTS Plus Software**

The following reminders are offered for Candidate Committees using MERTS Plus software to electronically submit their Campaign Statements. **Questions concerning the use of the software should be directed to MERTS Plus Tech Support at (703) 749-4642 or sent by e-mail to [mertstechsupport@nicusa.com](mailto:mertstechsupport@nicusa.com).**

**Election Cycles** – Make sure the current election cycle is entered into the Election Cycles Window. Please see the attached Election Cycles Chart for specific dates.

**Reporting Periods** - A separate report record, with correct coverage period dates, must be created in the Reports Window for each Campaign Statement that will be electronically submitted by the committee.

**Amendments to Campaign Statements** – An amended Campaign Statement cannot be submitted until an original Campaign Statement has been electronically filed. If you create more than one amendment to a report, each amendment must be electronically submitted in the order it was created before any further amendments can be filed.

### **Questions?**

If you have any questions, please phone us at (517) 373-2540 or write us at the address indicated below. The address below should also be used to mail your filing by first class mail, registered mail or certified mail.

Michigan Department of State  
Bureau of Elections  
Post Office Box 20126  
Lansing, Michigan 48901-0726

If you would like to visit our office or use an overnight delivery service, the address below is provided.

Michigan Department of State  
Bureau of Elections  
Richard H. Austin State Office Building, 1<sup>st</sup> Floor  
430 West Allegan Avenue  
Lansing, Michigan 48918-1700



## MERTS Plus Steps to Creating a Committee File

Begin by taking the MERTS Plus online training at [www.mertsplus.com](http://www.mertsplus.com). Once you have passed the MERTS Plus quiz, please follow the steps below to create your committee file using the MERTS Plus software.

### First, download the software.

- Log on to: [www.mertsplus.com](http://www.mertsplus.com)
- Click on “**Software Downloads**”
- Click on “**Committee Module**”
- Enter user name and password
- Follow the prompts given to install the MERTS Plus software.

**Note:** The user name and password are for downloading the software, you will receive a second email with your password for filing campaign statements electronically.

### Second, create a new DCF/committee file.

- Click “**Start**”, “**Programs**”, “**Michigan Application**” and “**MERTS Plus.**”
- Click “**File**”, and “**New**” to access the “**Names box.**”
- Replace “**My committee**” with the committee’s name.
- Type the committee's 7-digit ID number (including dash) in the “**ID field.**”
- Complete the committee address information and select “**OK.**”

### Next, save your DCF/committee file.

- Click “**File**”, then select “**Save**” and name your DCF/committee file.
- Click “**Save**” then select “**File**” and “**Close**” to close out of the MERTS Plus program.

### Finally, open your newly created DCF/committee file.

- Click “**Start**”, “**Programs**”, “**Michigan Applications**” and “**MERTS Plus.**”
- Click “**File**” then “**Open**” and double-click on the DCF/committee file created in the previous step.

**Note:** Never create a new DCF file for the same committee. One DCF file will contain all of the committee reports (Annuals, Pre Primary, July Triannual, etc.).

There are a number of windows for the MERTS Plus software. Windows are used to enter data, create reports, etc. Before you refer to the MERTS Plus manual, try opening all the windows in the software.

- Click “**View**” then select “**Open all**” to open all windows.
- Click “**Window**” then select “**Tile horizontal**” to view all windows.
- **Candidate committees only:** Click “**View**” and select each window separately before clicking on “**Window**” and “**Tile horizontal.**”

You have successfully opened all your windows! To get started entering data, log on to [www.mertsplus.com](http://www.mertsplus.com) to obtain your MERTS Plus Manual.

## Most Common Errors for Electronic Filers

### **Unclosing an Uploaded Report**

Once a campaign statement has been closed and uploaded (filed electronically), it should never be unclosed. Unclosing a campaign statement that has been filed electronically may result in the committee losing data and having to start over with enter all lost data (names, campaign statements, transactions, etc.). In order to make changes to a electronically filed campaign statement the committee must right-click on the campaign statement in the “Reports Window” and select “amend.”

### **Beginning/Ending Balances**

There should never be a time when the beginning balance of one campaign statement is different from the ending balance of a previous campaign statement. In addition, there should never be a time when the beginning or ending balance of a campaign statement reflects a negative amount.

The following are the most common mistakes that results in this type of error:

- **Incorrect coverage dates:** The campaign statement’s coverage dates should never gap or overlap in coverage. When this occurs the beginning and ending balances of campaign statement will not reconcile.
- **Incorrect transaction date:** Be sure that the date of your transactions fall within the campaign statement you have created. For instance, if you select a date previous of the current campaign statement you are working with, the transaction, will attach to a previous report and result in the ending balance of the previous campaign statement not reconciling with the beginning balance of the current campaign statement.
- **Committee incorrectly entered Inkind contributions as expenditures:** Inkind contributions do not affect the beginning and ending balance of a campaign statement. However, if a committee incorrectly enters an Inkind contribution as an expenditure, it can reflect a negative ending balance on the campaign statement.
- **Committee did not enter all contributions.** If a committee fails to report all its contributions, it can reflect a negative ending balance on the campaign statement.
- **Committee has created a new DCF file to create a campaign statement:** Be sure to never create a new DCF file. A committee should only have one DCF file to create all campaign statements. When a committee creates a new DCF file, the former DCF file and its data are not connected to the previous file and therefore the ending balance of the previous campaign statement will not reconcile with the beginning balance of the current campaign statement.